

Memorandum

To: Chair and Commissioners

Date: July 1, 2005

From: Diane C. Eidam,
Executive Director

**Reference Number 4.10
Action**

Ref: **Re-Suspension of Delegated Allocation Authority, and Delegation to Commission Executive Director Authority to Adjust Construction Contract Award Allocations**

Issue: Should the Commission extend to June 30, 2006 the project allocation delegation suspension that expired on June 30, 2005? In addition, should the Commission delegate to its executive director the authority to adjust Caltrans construction contract award allocations?

Recommendation: Staff recommends that the Commission re-suspend all individual project allocation delegations given to Caltrans until the end of FY 2005-06, except for emergency, safety and seismic retrofit projects, but authorize the Commission executive director to adjust Caltrans construction contract award allocations after consultation with the chair and two commissioners chosen by the chair.

Background: The Commission in response to the cash flow challenges of the State Highway Account (SHA) formally suspended in January 2003 all individual project allocation delegations given to Caltrans until the end of FY 2002-03, except for emergency, safety and seismic retrofit projects. The Commission subsequently extended the delegation suspension through FY 2003-04 and then through FY 2004-05. Since Proposition 42 funds will be restored to transportation for FY 2005-06 but remain in doubt for FY 2006-07 the Commission should keep the allocation delegation authority suspended until at least the end of FY 2005-06.

In order to accommodate and speed-up the construction effort made possible by the transfer of Proposition 42 funds in FY 2005-06 it is suggested that the Commission delegate to its executive director the authority to adjust Caltrans construction contract award allocations in excess of the standard limits imposed by Resolution G-12. Currently when G-12 limits are exceeded Caltrans can't award a construction contract until the Commission allocates the needed additional funds. Under this delegation the Commission's executive director would be empowered by the Commission to allocate any needed additional funds to award the Caltrans construction contract. The executive director could increase an individual contract award allocation only after consulting with the Commission's chair and two additional commissioners chosen by the chair. The construction contract award delegation would be done on a trial basis and would sunset on June 30, 2006.

CALIFORNIA TRANSPORTATION COMMISSION

Re-suspension of Delegated Allocation Authority and Delegation to Commission Executive Director the Authority to Adjust Caltrans Contract Award Allocations

Resolution G-05-__

Replacing Resolution G-04-08

- 1.1 WHEREAS, transportation capital outlay and local assistance funds are appropriated by the Legislature subject to allocation by the Commission; and
- 1.2. WHEREAS, the Commission delegated some of its transportation capital outlay and local assistance funds allocation authority to Caltrans; and
- 1.3. WHEREAS, the Commission suspended all delegated allocation authority through June 2005 except for state highway emergency, safety, rehabilitation and seismic retrofit projects; and
- 1.4. WHEREAS, the Commission in its 2004 Annual Report to the Legislature stated “California’s transportation program is in crisis and on the verge of collapse;” and
- 1.5. WHEREAS, Proposition 42 funds will be restored to transportation for FY 2005-06, but FY 2006-07 funds remain in doubt.
- 2.1. NOW THEREFORE BE IT RESOLVED, that the Commission re-suspends till the end of FY 2005-06 all individual project allocation delegations given to Caltrans as enumerated by G resolution number below, except for emergency, safety and seismic retrofit projects; and
- 2.2. BE IT FURTHER RESOLVED, that the Commission delegates to its Executive Director, after consultation with the Commission’s chair and two commissioners chosen by the chair, the authority to increase individual Caltrans project construction allocations to allow construction contract award in excess of the standard Resolution G-12 limit; and
- 2.3. BE IT FURTHER RESOLVED, that Caltrans shall report all such delegated construction contract award allocations at the next scheduled Commission meeting following such project allocation; and

- 2.4. BE IT FURTHER RESOLVED that this resolution sunsets on June 30, 2006 unless revoked earlier or extended by vote of the Commission prior to the sunset date.

G Resolutions suspended till June 30, 2006:

Resolution G-01-03. Project Development Components of Local Grant Projects
Programmed in the STIP

Resolution G-01-04. Local Street and Road Pavement Rehabilitation Projects
Programmed in the STIP

Resolution G-01-05. RSTP/CMAQ and TEA Match Reserves Programmed in the STIP

Resolution G-01-06. Planning, Programming and Monitoring Activities Programmed in
the STIP

Resolution G-01-07. Rideshare Projects Programmed in the STIP

Resolution G-03-10. State Highway Pavement Rehabilitation and Safety Projects (only
pavement rehabilitation portion suspended)